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ence in colonial tariffs. Along with this proposal he supports the plan of fleet units maintained by autonomous colonial states.

The author's claim that the incidence of a food tax would lie altogether upon the producer is quite doubtful. Certainly the proposition deserves careful examination before being made fundamental to an imperial policy. Granted, moreover, the logic of Mr. Jebb's contention, surely the prospect of the colonial producer paying this tax in order that the British farmer might be relieved would not presage economic harmony within the empire. Both here and in the view that Great Britain should change her tariff to secure a basis for reciprocating preferences is implied the protectionist theory of international trade—a tariff as a weapon of retaliation and reward rather than as a purely fiscal instrument.

Further, in point of fact, Mr. Jebb overestimates the sentiment for an imperial preference. The Fielding tariff, which embodied the idea in Canada, was never received with any great enthusiasm by the commercial interests of the Dominion. Long before Sir Wilfrid Laurier's government met defeat the movement that way was dead, killed, some hint, by the Canadian Manufacturers' Association. True the preference yet stands, but so modified that it is absolutely innocuous.

Quite apart from the main discussion, it is interesting to observe that Mr. Jebb reveals an attitude, increasingly common in British publicists, of distrust of British parliamentary institutions. Such expressions as "restoring health to the diseased parliamentary system," "the progressive discredit of the British House of Commons," "the machine-made fetters of democracy," the parliamentary procedure which has become "farcical," would indicate that the mother of parliaments has not escaped some of the influences which beset representative institutions in the United States and Canada.

D. A. MACGIBBON

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Outlines of Railway Economics. By DOUGLAS KNOOP. New York: Macmillan, 1913. 8vo, pp. 274. \$1.50.

This book is based on a course of lectures on "Economics with Special Reference to Railways," given at the Midland Railway Institute, Derby, and at the University of Sheffield, and now printed with various additions and alterations. The author is a lecturer on economics in the University of Sheffield, and late Langton Fellow of the University of Manchester. In this work he has approached railway problems, particularly those relating to rate-making, from the standpoint of the economist, seeking to

show how the economic principles which underlie business and industry in general apply to railways in particular, and primarily to the railways of the United Kingdom. Therefore the earlier chapters are devoted to a preliminary discussion of certain portions of economic theory, the inclusion of which has the advantage of emphasizing the connection between general economics and railway economics. After discussing these general principles affecting the demand for commodities and services and the various agents of production, the law of decreasing returns, and the law of increasing returns, the author takes up the application of the laws of increasing and decreasing returns to railways, showing how up to a certain point of capacity the unit cost of producing transportation may be steadily decreased by an increase of traffic, but that after the maximum capacity of the facilities has been reached the attempt to handle additional traffic without increasing the investment in facilities will only result in increasing costs. An excellent chapter is devoted to a discussion of the various kinds of combinations among railway companies with their causes and effects; but by far the most interesting parts of the book are the chapters explaining the theory of rate-making, in which the author illustrates his points in an unusually illuminating manner by comparisons with the methods by which prices of commodities in general are determined under competitive conditions and under the play of economic influences. Several chapters are devoted to the explanation of the theory of "differential charging" and its practical applications to the prices of various kinds of commodities and services. As applied to railways this theory is briefly stated by the author as follows: "It will be worth while selling some of the transportation below the average cost of production, provided the extra sales thereby rendered possible reduce the average cost of production sufficiently to make the total surplus, arising from the excess of the high prices over the new average cost of production, exceed the total deficiency arising from the low prices falling short of the new average cost of production." Upon this theory, after showing why the cost of transportation cannot be exactly apportioned to various kinds of traffic, the author explains the effect of the various factors which bring about the variations in rates on different kinds of traffic, both those which affect the costs of transporting different kinds of commodities and those which affect the value of the service of transportation of different commodities, the chief factors including weight, bulk, value, purposes for which products are used, etc. Especially clear is the discussion of the various kinds of competition to which railways and commodities are subjected and the influence of competition on rates.

The two final chapters are devoted to a brief general outline of the history of railway regulation and of the arguments for and against railway nationalization.

HAROLD F. LANE

CHICAGO, ILL.

Social Insurance. By I. M. RUBINOW. New York: Henry Holt & Co., 1913. 8vo, pp. vii+525. \$3.00 net.

The hand of the trained actuary is seen in this most recent discussion of social insurance. There are some advantages in treating the subject by topics instead of by countries, since the principle under consideration may thus be studied in all its applications without repetition or confusion. Insurance against industrial accidents, sickness, old age, invalidism and death, and unemployment, as developed in various countries, is subjected to a thorough examination, and advocated in good temper but with conviction. Only one statement (p. 420) can be given place in this brief notice. After declaring that the annual amount spent by American workmen for burial benefits alone increased from less than \$2,000,000 in 1881 to \$183,000,000 in 1911, this striking conclusion is reached: "The American working class pays for funeral insurance as much as is contributed in Germany by all three parties concerned, the wage-workers, the employers, and the state, for (1) accident insurance, (2) sickness insurance, (3) funeral insurance, (4) maternity insurance, (5) invalidity insurance, and (6) old-age insurance, combined." It seems incredible that this preposterous distribution of earnings should continue. To secure fairly adequate cover of all risks no additional burden need be placed on employers and employed; the present expenditures, properly distributed, will meet the most essential requirements.

The book will be found useful by teacher or citizen who wishes to have a reliable, clearly written, untechnical work covering all aspects of the problem.

C. R. HENDERSON

UNIVERSITY OF CHICAGO

The German Cotton Industry. By R. M. R. DEHN. "Publications of the University of Manchester," Economic Series No. 14, Gartside Reports on Industry and Commerce, No. 10. Manchester, England: University Press, 1913. 8vo, pp. xii+104. \$1.20 net.

This report is a distinct contribution to the progress of economic investigation of industrial life. The expansion of modern Germany has broadened a field of research which has wonderful possibilities. The author, viewing this